APPENDIX J-2: ANNUAL ESCROW ACCOUNT DISCLOSURE STATEMENT — EXAMPLE

Three year cycle, one year display,

[Servicer's name, address, and toll-free number.]

INITIAL ESCROW ACCOUNT DISCLOSURE STATEMENT

THIS IS AN ESTIMATE OF ACTIVITY IN YOUR ESCROW ACCOUNT DURING THE COMING YEAR BASED ON PAYMENTS ANTICIPATED TO BE MADE FROM YOUR ACCOUNT.

Month	Payments to Escrow Account	Payments from Escrow Account	Description	Escrow Account Balance
Initial deposit	!:			\$ <u>900</u>
January	130	0		1,030
February	130	600	taxes	560
March	130	0		690
April	130	240	insurance	580
May	130	0	•	710
June	130	0		840
July	130	0		970
August	130	600	taxes	500
September	130	0		630
October	130	0		760
November	130	0		890
December	130	0		1,020

(PLEASE KEEP THIS STATEMENT FOR COMPARISON WITH THE ACTUAL ACTIVITY IN YOUR ACCOUNT AT THE END OF THE ESCROW ACCOUNTING COMPUTATION YEAR.)

Cushion selected by servicer: \$ 260.

YOUR MONTHLY MORTGAGE PAYMENT FOR THE COMING YEAR WILL BE \$ 870 OF WHICH \$ 740 WILL BE FOR PRINCIPAL AND INTEREST AND \$ 130 WILL GO INTO YOUR ESCROW ACCOUNT.